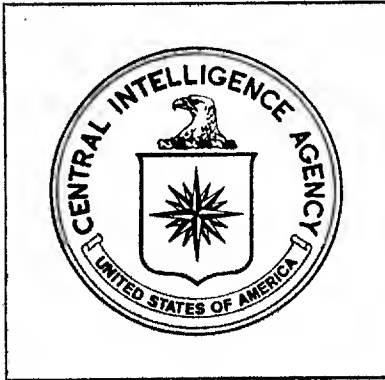


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Law of the Sea Country Study

Austria

Secret

BGI LOS 74-8

May 1974

NATIONAL SECURITY INFORMATION
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FOREWORD

The Law of the Sea Country Studies are prepared to support the NSC Interagency Task Force on the Law of the Sea. The countries to be included in the series are selected on the basis of priorities suggested by the chairman of the Task Force.


Each study has two parts. Part I is an analysis of the primary geographic, economic, and political factors that might influence the country's law of the sea policy, the public and private expressions of that policy, and a brief biography of the key personalities involved. Part II provides basic data and information bearing on law of the sea matters.

This study was prepared by the Office of Basic and Geographic Intelligence. Biographic support was provided by the Central Reference Service. The study was coordinated within the Directorate of Intelligence and with the Department of State. Comments and questions may be directed to the IOS Country Studies Working Group, Code 143, Extension 2257.

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Draft articles submitted by Austria to the Seabed Committee
Maps: Regional map
Theoretical Division of the World Seabed

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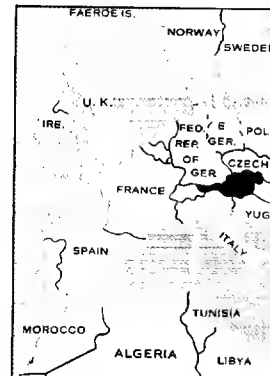
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AUSTRIA

Part I - Law of the Sea Analysis

A. SUMMARY

As a landlocked country with an industrial economy, Austria can anticipate little direct economic gain from the resolution of the Law of the Sea (LOS) issues. Austria's only opportunity to share in the "heritage of mankind" is through revenue from the international area. If, as has been proposed, these revenues are divided on the basis of need, Austria's share will be very small.



Austria has no fishing fleet, navy, or marine-oriented industries that would stand to gain or lose by the results of the Conference. It has acquired a small maritime commercial fleet. The country has access to the sea through well-established transit rights across neighboring coastal states. However, unreasonable demands of coastal states and/or developing states could result in increased costs to Austrians for products of the sea and marine transport.

The LOS negotiations offer Austria opportunities to be a spokesman for the landlocked and shelf-locked countries; to improve its status as an intermediary between large political blocs; and, if the Conference is concluded successfully in Vienna, to enhance the image of Austria as a site for international conferences.

B. FACTORS INFLUENCING LOS POLICY

Special Geographic Features

Small mountainous Austria lacks the economic advantage of direct access to the sea, and its landlocked location is disadvantageous in most LOS matters. This central European country is heavily dependent upon its ground and air transportation network to provide important international links. The railroad system permits through service between northern and southern Europe and between western Europe and the Balkans; the highways connect with all neighboring countries. The Danube provides an important route for the movement of bulk commodities. Sixty-four maritime vessels fly the Austrian flag and operate out of Hamburg and Bremen, West Germany; Trieste, Italy; and Rijeka, Yugoslavia.

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Uses of the Sea

As a landlocked country, Austria depends upon imports for its sea-products requirements. Imports of fish and fish products more than doubled between 1958 and 1968 (from 30,000 to 69,000 metric tons), primarily because of the increasing use of fishmeal as animal feed. Per capita consumption of fish, at less than 4 kilograms per year, is among the lowest in western Europe.

Austria has interests in oceanography, maintaining several marine stations along the Adriatic coast and participating in various marine expeditions, which concentrate on marine biology. Because of a lack of government interest most of the support for oceanography has been at the university level. Austria is a member of the Intergovernmental Oceanographic Commission and has cooperated closely with Yugoslavia, Italy, and West Germany in marine biological research.

Austria must also depend upon other states to provide its marine transport requirements and has established satisfactory arrangements for overland transit across neighboring coastal states. Austria imports small quantities of each of the metals that are the major components of manganese nodules.

Political and Other Factors

Much of the post-World War II period has been marked by coalition governments and a spirit of pragmatic compromise. The highly literate and politically aware population has regarded compromise as insurance against a revival of traditional ideological rivalries. There is an attitude of skepticism and indifference toward extremists' appeals from any source.

The Austrian State Treaty of 1955 imposed an obligation to maintain a permanent neutrality. Austria belongs to no military alliance and is a strong proponent of general disarmament under effective international control. Austria's attitude toward the LOS issues stems from its active search for a role as peacemaker, as well as from a foreign policy that emphasizes international organizations.

Austria has aspirations to become the world center for conferences on the codification of international law. It has demonstrated its interest in matters relating to the law of the sea by its active participation in the work of the Seabed Committee and by the offer of Vienna as the site for a conference in 1975.

Austria's economy has sustained a growth rate roughly comparable to that of West Germany. Its per capita GNP in 1972 -- \$2,750 -- was somewhat below the average for the European member countries of the

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Organization for Economic Cooperation and Development but was almost three times the 1950 Austrian level. This progress has been facilitated by the liberalization of international trade.

Although agriculture is important to the economy, Austria is primarily an industrial country. The highly diversified manufacturing sector contains relatively few very large, technologically advanced production units, but these few account for the major share of industrial output, exports, and employment.

Austria has a sizable foreign aid program that includes cooperation with countries of East and West Europe in joint projects in less-developed parts of the world. About one-fifth of the total foreign aid expenditures are represented by contributions to international organizations, including agencies of the United Nations, the International Bank for Reconstruction and Development, and the International Development Agency.

C. LAW OF THE SEA POLICY

Territorial Seas

There has been no need for specific legislation on the limits of territorial seas or fishing zones in landlocked Austria, but, because it desires the largest possible international area, Austria favors a narrow territorial sea. The maximum acceptable width is 12 nautical miles. Austria has expressed reservations about unilateral extensions beyond that limit. Austria opposes restrictions on navigation through territorial seas and straits, but there are indications that it leans more toward the draft articles on innocent passage submitted in March 1973 by Cyprus and seven other countries than to the free transit proposals of the United States.

Continental Shelf

As late as August 1969 Austria is reported to have believed that the sovereignty of coastal states should extend only to the continental shelf. Austrian officials thought it improbable that the limits set by the Continental Shelf Convention would, as a result of technical breakthroughs, require extension at an early date.

At the same time it reportedly considered that utilization of the continental shelf should be limited to activities on the seabed. It favored limiting coastal states' rights on the continental shelf to a narrow zone so that more resources on the seabed would be accessible to Austrian companies if they wished to operate worldwide under some international regime.

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In accordance with Austria's basic policy on disarmament, the government favors all arms control measures, and it has ratified the Seabed Arms Limitation Treaty and Nuclear Test Ban Treaty.

Coastal State Jurisdiction Beyond the Territorial Sea

Austria has no essential interests involved in national jurisdictions beyond the territorial sea, but it opposes economic zone and patrimonial sea claims because they will reduce revenue from the international zone. Austrian officials consider proposals such as those put forth by Canada, Australia, and Norway to be excessively broad. Austria favors clearcut, narrow limits of coastal state jurisdiction, defined by distance criteria, that should in no case exceed the 200-meter isobath. Although Austria recognizes the 40-mile limits of the 1971 Working Paper of the landlocked and shelf-locked states (LL/SL) as unattainable, the Austrian delegation would be reluctant to accept a 200-mile limit. They feel this would leave within the jurisdiction of the International Regime too small an area with reasonable possibilities of exploitation. The government would like immediate resolution of this issue, as it is feared delays would favor those who prefer wider coastal state jurisdiction.

Austria told the Working Group of Subcommittee II that the rights of the landlocked and shelf-locked states in the coastal zone must be contained in an agreement that spells out these rights in detail. The Austrians believe that the concept of regional accommodation holds promise for satisfying their needs if worked out on the basis of international rules and standards.

The position of the LL/SL States on coastal state jurisdiction beyond the territorial sea as defined in their Draft Articles of July 1973 (see Annex) is a marked modification of the position in their August 1971 Working Paper (see Annex), both of which Austria cosponsored. Both documents recognize the right of the coastal state to establish a zone in which it has both jurisdiction and the right to explore and exploit all living and nonliving resources. The 1971 paper limited the width of this zone to 40 miles; however, it also required coastal state consent for seabed exploitation in the adjoining 40-mile-wide belt of the international area. The 1973 document, in recognition of the negotiating positions developed in the meantime, did not specify a width for the coastal state priority zone nor did it mention coastal state consent in any part of the international area.

The right of exploitation of living resources in the coastal state priority zone changed from an exclusive right of the coastal state to one in which the landlocked states would share on an equal and non-discriminatory basis. Also the 1973 Draft Articles would permit other

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states to share the portion of the maximum allowable yield not utilized by the coastal state and its landlocked neighbors, subject only to payments to and regulations of the coastal state. Rights to the exploitation of the living resources would be qualified, however, by the requirement to pay a percentage of the revenue from this activity to the International Authority if the coastal state is a developed state.

The draft articles made no claim for rights of LL/SL States to explore or exploit nonliving resources in the priority zone. All coastal states, however, must contribute part of the revenues from exploitation of nonliving resources within their priority zone to the International Authority. The rates depend upon whether the state is developed or developing and whether the exploitation site is within or beyond 40 miles of the territorial sea.

The 1971 Working Paper of the LL/SL States specified that the International Authority shall recommend for landlocked licensees arrangements that would facilitate communication between the landlocked state and the area under license for purposes of storing, processing, and marketing mineral products. It was obviously the intent that in such a case, international jurisdiction would take precedence over coastal state jurisdiction.

The LL/SL Draft Articles on Resource Jurisdiction of Coastal States beyond the Territorial Sea contained an article requiring compulsory settlement of disputes. Since Austria cosponsored the articles, Austria would presumably support compulsory settlement in other situations.

Fisheries

Although Austria has only a peripheral interest in offshore fisheries, Mr. Robert Marschik, now Consul General in New York, said in June 1972 that the Legal Division of the Foreign Ministry was reviewing the U.S. fisheries proposal. He said that an Austrian position on fisheries would be developed and transmitted to the United States. There is no documentary evidence of this position.

Deep Seabed

The 1971 Working Paper described the limits of the international area as comprising all of the seabed outside the area of the territorial sea (maximum breadth 12 nautical miles, from baselines) and beyond the adjacent coastal state economic zone (seaward limit of 200 meters or 40 miles beyond the territorial sea). Within the international area adjoining the coastal state economic zone, the 1971 Working Paper established a 40-mile-wide coastal state priority

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zone. The International Authority would neither explore directly nor license exploration and exploitation in this zone without consent of the coastal state.

In July 1971 Austrian delegate Prohaska interpreted for Subcommittee I the deep seabed issues Austria considered most important:

- 1) An economically meaningful international area, preferably with narrow limits of national jurisdiction -- defined by distance criteria (in this case, 100 miles) and not exceeding the 200 meter isobath, that controls not only a substantial part of the deep seabed but a sizable part of the continental margin as well. A trusteeship zone, a distinctly second choice, was recognized as possibly the only politically acceptable compromise at the time, and was again endorsed in the summer of 1973.
- 2) The powers and functions of the international seabed machinery should be exercised so as to guarantee satisfaction of LL/SL interests.
- 3) Adequate representation on the executive organ of the international machinery. Representation at the same ratio as LL/SL are to total UN membership would require 1/3 to 1/4 of the executive organ to be landlocked and shelf-locked representatives.

The 1971 LL/SL Working Paper said that representatives should be equally distributed between coastal states and noncoastal states and within each of these groups there should be adequate representation of developing states.

The Austrian delegation has discussed this subject only in the most general terms, saying that the machinery should be given sufficient powers to guarantee the faithful implementation of what was stipulated in the treaty. The executive organ would be responsible for seeing that the principle of common heritage was not rendered meaningless.

The 1971 Working Paper provided that the International Authority should have the power to explore, exploit, and market -- either directly or by licensing --, to encourage participation of developing countries in these activities, and to recommend arrangements for landlocked licensees that would facilitate communication, storage, processing, and marketing of mineral resources. The authority would avoid, or compensate for, adverse effects of exploitation in the international area, contribute revenues, and distribute benefits equitably on the basis of need.

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Landlocked States

Austria is apparently satisfied with its current arrangements for access to the sea. It is not a major shipping or fishing state.

The primary interest of Austria is to protect its right of inheritance in the sea. As a landlocked country it considers the most significant task of the LOS Conference to be the establishment of an equitable international regime -- including the international machinery, the delimitation of the area to which the regime is to apply, and the provisions for sharing the revenues from resources. Almost certainly, however, Austria has no expectation of immediate gains through exploitation of seabed resources. Although there has been some mention of Austrian companies actually participating in the exploitation, this seems unlikely. Nevertheless, Austrian delegates have spoken about the necessity for LL/SL participation in the International Authority on the basis of representation proportional to their membership in the United Nations.

Marine Pollution

Officials see the need to develop techniques to stop both land-based and vessel-source pollution of the seas, and to prevent pollution during mineral exploitation of the seabed. Austria believes that vessel-source pollution should be dealt with by IMCO rather than LOS, and that land-based sources of pollution should be controlled by an international system with regional centers.

Peaceful Uses of the Seas

Austria ratified the Nuclear Test Ban Treaty in July 1964 and the Seabed Arms Control Treaty in August 1972. In accordance with its basic policy on disarmament, Austria favors all measures that might lead to general disarmament under effective international control, and it may favor proposals that limit uses of the sea to those with peaceful purposes.

Conference Procedures and Tactics

Within the landlocked/shelf-locked group, Austria is a moderating influence. It is neither as demanding nor as passive as some other members of the group; it has not espoused extreme positions on any of the important LOS issues.

The Austrian Government would like to achieve a settlement in Caracas on all matters on which a consensus can be achieved and hold over the remaining items for discussion at a subsequent meeting in

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Vienna. Resolution of the final issues in Vienna would further Austrian aspirations to become the principal site of conferences dealing with international law.

D. KEY POLICY MAKERS, LOS NEGOTIATORS AND ADVISORS

The Austrian Federal Government is parliamentary in form with effective political power held by the Chancellor, his Cabinet, and the legislature -- the National Council. Most responsibility for LOS matters lies in the Ministry of Foreign Affairs, particularly in the Legal Department, the International Organization Affairs Division, and the International Law Department. The Chancellor, Austrian Socialist Party leader Bruno Kreisky, is the head of government, but must have the support of the National Council to carry out his programs. The smooth relationship in the last several years can be attributed to Kreisky's leadership and the fact that the Council is under Socialist control.

Peter Jankowitsch, the Austrian Permanent Representative to the United Nations and confidant of Kreisky, has enjoyed considerable autonomy in decisionmaking with regard to Austrian positions on UN issues. The Austrian Government has announced that the LOS delegation will include the following: Dr. Franz Weidinger, Chief of Delegation; Dr. Helmut Tuerk, Office for International Law, Foreign Ministry; Dr. Gerhard Hafner, Assistant Professor, International Law Institute, University of Vienna; and Ms. Leonore B. Emich, member of the Austrian Permanent Mission to the UN.

Other Austrian leaders who attended one or more of the preparatory sessions for the Third UN Conference on LOS or the organizational session of the Conference are as follows:

Name and title (as they appear
in the UN listing)

	Seabed Committee Session						Org. Conf. Dec 73
	Mar 71	Jul Aug 71	Feb Mar 72	Jul Aug 72	Mar Apr 73	Jul Aug 73	
Mr. Walther BACKES Envoy Extraordinary and Minister Plenipotentiary Director Federal Ministry for Foreign Affairs	X	X		X			
Ms. Helga BIDMON Secretary of Embassy Permanent Mission to the UN	X	X					

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Name and Title	Seabed Committee Session						Org. Conf. Dec 73
	Mar 71	Jul Aug 71	Feb Mar 72	Jul Aug 72	Mar Apr 73	Jul Aug 73	
Mr. Alexander CHRISTIANI First Secretary Permanent Mission to the UN			X		X		X
*Ms. Leonore B. EMICH First Secretary Permanent Mission to the UN					X	X	X
Mr. Heinrich GLEISSNER Envoy Extraordinary and Minister Plenipotentiary Federal Ministry for Foreign Affairs							X
*Mr. Gerhard HAFNER Assistant Professor University of Vienna				X	X	X	
*H.E. Mr. Peter JANKOWITSCH Ambassador Extraordinary and Plenipotentiary Permanent Representative to the UN					X		X
Mr. Herbert KROELL Federal Ministry for Foreign Affairs		X					
*Mr. Paul LEIFER Counsellor Federal Ministry for Foreign Affairs				X	X	X	
Mr. Robert MARSCHIK Counsellor Federal Ministry for Foreign Affairs (now consul general in New York)			X				
Mr. Felix MIKL Secretary of Embassy Permanent Mission to the UN				X			

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Name and Title

	Seabed Committee Session						Org. Conf. Dec 73
	Mar 71	Jul Aug 71	Feb Mar 72	Jul Aug 72	Mar Apr 73	Jul Aug 73	
Mr. Anton PROHASKA Permanent Mission to the UN	X	X					
Mr. Helmut TUERK First Secretary Federal Ministry for Foreign Affairs						X	
*Mr. Franz WEIDINGER Minister Plenipotentiary Federal Ministry for Foreign Affairs Head of the Austrian delegation to the Seabed Committee Summer 1973						X	

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Part II - Background Information

Geography

World region: Western Europe and Canada
Category: Landlocked
Bordering states: Federal Republic of Germany, Czechoslovakia, Hungary, Yugoslavia, Italy, Switzerland, Liechtenstein
Land: 32,374 sq. mi.
Population: 7,474,000 (as of mid-1972)

Industry and Trade

GNP: \$20.5 billion, \$2,750 per capita (1972)
Major industries: foods, iron and steel, machinery, textiles, chemicals, electrical equipment, paper and pulp
Exports: \$3.88 billion (f.o.b., 1972); iron and steel products, machinery and equipment, lumber, textiles and clothing, paper products, chemicals
Imports: \$5.22 billion (c.i.f., 1972); machinery and equipment, chemicals, textiles, coal, petroleum, foodstuffs
Major trade partners: Federal Republic of Germany 34%, Italy 8%, Switzerland 9%, United Kingdom 7%, United States 4%; EC 50%; EFTA 22%; Communist countries 10% (1972)
Merchant marine: total 64 ships -- 19 ships (17 cargo and 2 bulk) over 1,000 GRT, totaling 75,000 GRT

Petroleum Resources

Petroleum: production - 17.4 million 42-gal. bbl. (2.5 million metric tons) onshore (1971); proved recoverable reserves - 185 million 42-gal. bbl. (27 million metric tons) onshore (1970)
Natural gas: production - 67.1 billion cubic feet (1.9 billion cubic meters) onshore (1971); proved recoverable reserves - 550 billion cubic feet (16 billion cubic meters) onshore (1970)
Other investments: the nationalized Austrian oil administration (OEMV) holds 49 percent participation in an offshore license for 7,032 sq. km. in the Gulf of Hammamet, Tunisia; ELF/ERAP, France, holds the other 51 percent

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Multilateral Conventions

Treaty Banning Nuclear Weapons Tests in the Atmosphere, in Outer Space, and Under Water. Date of deposit of the instrument of acceptance - July 17, 1964.

Treaty on the Prohibition of the Emplacement of Nuclear Weapons and Other Weapons of Mass Destruction on the Seabed and the Ocean Floor and in the Subsoil Thereof. Date of deposit of the instrument of acceptance - August 10, 1972.

Membership in Organizations Related to LOS Interests

C of E	Council of Europe
ECE.	Economic Commission for Europe
EFTA	Europe Free Trade Association
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
OECD	Organization for Economic Cooperation and Development
Seabed Committee	United Nations Committee on the Peaceful Uses of the Seabed and Ocean Floor Beyond the Limits of National Jurisdiction
UN	United Nations
UNESCO	United Nations Educational, Scientific, and Cultural Organization
WHO.	World Health Organization

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Action on Significant UN Resolutions

Moratorium Resolution (A/RES/2574 D, XXIV, 12/15/69) <i>Pending establishment of international regime, States and persons are bound to refrain from exploiting resources of or laying claim to any part of the seabed and ocean floor beyond the limits of national jurisdiction.</i>	Against
LOS Conference (A/RES/2750 C, XXV, 12/17/70) <i>Convene in 1973 a Conference on Law of the Sea to deal with establishment of international regime for the seabed and ocean floor, and enlarge Seabed Committee by 44 members and instruct it to prepare for the conference draft treaty articles embodying international regime.</i>	In favor
LOS Conference, Timing and Site (A/RES/3029 A, XXVII, 12/18/72)	Adopted w/o vote
Indian Ocean as a Zone of Peace (A/RES/2992, XXVII, 12/15/72) <i>Called upon littoral and hinterland states of Indian Ocean area, permanent members of the Security Council and other major maritime users of Indian Ocean to support concept that Indian Ocean should be zone of peace.</i>	Abstain
Landlocked/Shelf-Locked Study Resolution (A/RES/3029 B, XXVII, 12/18/72) <i>Called for study of extent and economic significance in terms of resources, of international area resulting from each proposal of limits of national jurisdiction presented to Seabed Committee.</i>	In favor
Peruvian Coastal State Study Resolution (A/RES/3029 C, XXVII, 12/18/72) <i>Called for study of potential economic significance for riparian states, in terms of resources, of each of the proposals on limits of national jurisdiction presented to Seabed Committee.</i>	Abstain
Permanent Sovereignty over Natural Resources (A/RES/3016 XXVII, 12/18/72) <i>Reaffirmed right of states to permanent sovereignty over all their natural resources, wherever found.</i>	Abstain

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UNITED NATIONS

GENERAL
ASSEMBLY



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COMMITTEE ON THE PEACEFUL USES
OF THE SEA-BED AND THE OCEAN FLOOR
BEYOND THE LIMITS OF NATIONAL JURISDICTION

Dual Distribution

Preliminary working-paper submitted by Afghanistan,
Austria, Belgium, Hungary, Nepal, Netherlands and
Singapore

Introduction: The present working-paper contains suggestions with respect to a number of specific matters to be regulated, inter alia, in an International Sea-bed Convention.

I. Limits and status of the international area:

A. The international area shall comprise all sea-bed and subsoil outside the area of the territorial sea (the maximum breadth of which is 12 miles measured from the base-line) and beyond the submarine areas adjacent to the coasts of States. For the purpose of this article submarine areas are considered to be adjacent to the coast of a particular State if

- either their depth does not exceed 200 metres,
- or they underly a belt of sea the breadth of which is 40 miles measured from the base-line of the territorial sea, according to the choice between the two methods of delimitation to be made by that particular State at the moment of ratification. The choice shall be final and the method of delimitation chosen shall apply to the whole of the coastline of that particular State.

B. In the international area all powers relating to the exploration and exploitation of its mineral resources are exercised either by or on behalf of the International Authority. "On behalf of the International Authority" means that (a) any State powers within the international area are based on and defined in a licence given by the International Authority and (b) are exercised under supervision of the International Authority, while (c) disputes relating to

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existence and exercise of these powers are to be settled by an impartial tribunal at the request of any member State or the International Authority.

C. Within the international area a belt of sea-bed and subsoil contiguous to the adjacent submarine area as determined in accordance with paragraph A above, and having a breadth of 40 miles measured from the outer limit of such adjacent submarine area, shall constitute the "coastal State priority zone". In this zone the International Authority cannot either explore and exploit directly (see point III below) or license exploration and exploitation by a State, without consent of the coastal State.

II. Representation

Member States to be divided into two categories, Category A consists of primarily coastal States; category B of primarily non-coastal States. Each member State shall indicate at the moment of ratification to which category it belongs. In any organ of the International Authority, in which not all States members are represented (such as the Council) there should be an equal number of representatives of category A and of category B. Within each category developing countries should be adequately represented.

III. Powers of the International Authority

The Assembly may upon recommendation of the Council decide to establish a body charged with direct exploration, exploitation and marketing (including the direct licensing of a private or public enterprise, joint-ventures and service-contracts) of a specified part of the international area.

IV. Facilities for landlocked States

When the Council of the International Authority licenses a landlocked State, acting alone or together with another State, to exploit a particular part of the international area it shall - in accordance with the right of free access of land-locked countries to the sea - recommend arrangements between the landlocked State and one or more other member States designed to ensure effective freedom of communication between the landlocked State and the area under licence, for the purpose of exploration, exploitation, including storage and processing and marketing of the mineral resources of that area.

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Special interests of developing countries

In the exercise of its powers the International Authority shall at all times take duly into account the primary purpose of promoting the development of developing countries, inter alia by (a) avoiding or compensating, where necessary, possible adverse effects of exploitation of any part of the international area on such development (2) contributing an appropriate part of its revenues to such development, and (c) furthering participation of developing countries in the activities undertaken by it or on its behalf. Sharing of benefits shall be equitable and, in principle, related to need, taking into consideration the stage of economic development of each member State.

UNITED NATIONS

GENERAL
ASSEMBLY



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16 July 1973

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COMMITTEE ON THE PEACEFUL USES OF THE
SEA-BED AND THE OCEAN FLOOR BEYOND
THE LIMITS OF NATIONAL JURISDICTION
SUB-COMMITTEE II

DRAFT ARTICLES ON RESOURCE JURISDICTION OF COASTAL STATES
BEYOND THE TERRITORIAL SEA

proposed by the delegations of Afghanistan, Austria,
Belgium, Bolivia, Nepal and Singapore

- (1) in the context of the discussions on the recognition of the jurisdiction of coastal States over the resources in a zone adjacent to their territorial sea, and
- (2) as a formula attempting to accommodate the vital needs and major interests of all States, which does not necessarily reflect the final views of the sponsoring delegations.

ARTICLE I

(1) Coastal States shall have the right to establish, adjacent to the territorial sea, a Zone which may not extend beyond nautical miles from the baselines from which the breadth of the territorial sea is measured.

(2) Coastal States shall have, subject to the provisions of Articles II and III, jurisdiction over the Zone and the right to explore and exploit all living and non-living resources therein.

ARTICLE II

(1) Landlocked and coastal States which cannot or do not declare a Zone pursuant to Article I (hereinafter referred to as the Disadvantaged States), as well as natural or juridical persons under their control, shall have the right to participate in the exploration and exploitation of the living resources of the Zone of neighbouring coastal States on an equal and non-discriminatory basis. For the purpose of facilitating the orderly development and the rational management and exploitation of the living resources of particular Zones, the States concerned may decide upon appropriate arrangements to regulate the exploitation of the resources in that Zone.

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(2) In the Zone the coastal State may, annually reserve for itself and such other Disadvantaged States as may be exercising the right under the preceding paragraph, that part of the maximum allowable yield, as determined by the relevant international fisheries organization, which corresponds to the harvesting capacity and needs of these States.

(3) States other than those referred to in paragraph 1 shall have the right to exploit that part of the remaining allowable yield subject to payments, to be determined under equitable conditions, and regulations laid down by the coastal States for the exploitation of the living resources of the Zone.

(4) Disadvantaged States shall not transfer the right conferred upon them in paragraph 1 to third parties. However, this provision shall not preclude the Disadvantaged States from entering into arrangements with third parties for the purpose of enabling them to develop viable fishing industries of their own.

(5) A developed coastal State, which establishes a Zone pursuant to Article I, paragraph 1, shall contribute per cent of its revenues^{a/} derived from the exploitation of the living resources in that Zone to the International Authority. Such contributions shall be distributed by the International Authority on the basis of equitable sharing criteria.

(6) In exploiting the living resources the States referred to in paragraphs 1 and 3 of this Article shall observe the regulations and measures pertaining to management and conservation in the respective Zones.

ARTICLE III

(1) A coastal State shall make contributions to the International Authority out of the revenues^{a/} derived from exploitation of the non-living resources of its Zone in accordance with the following paragraph.

(2) The rate of contribution shall be per cent^{b/} of the revenues from exploitation carried out within forty miles or 200 metres isobath of the Zone,

^{a/} The word "revenues" shall have to be defined.

^{b/} It is understood that different rates should apply to developed and developing countries.

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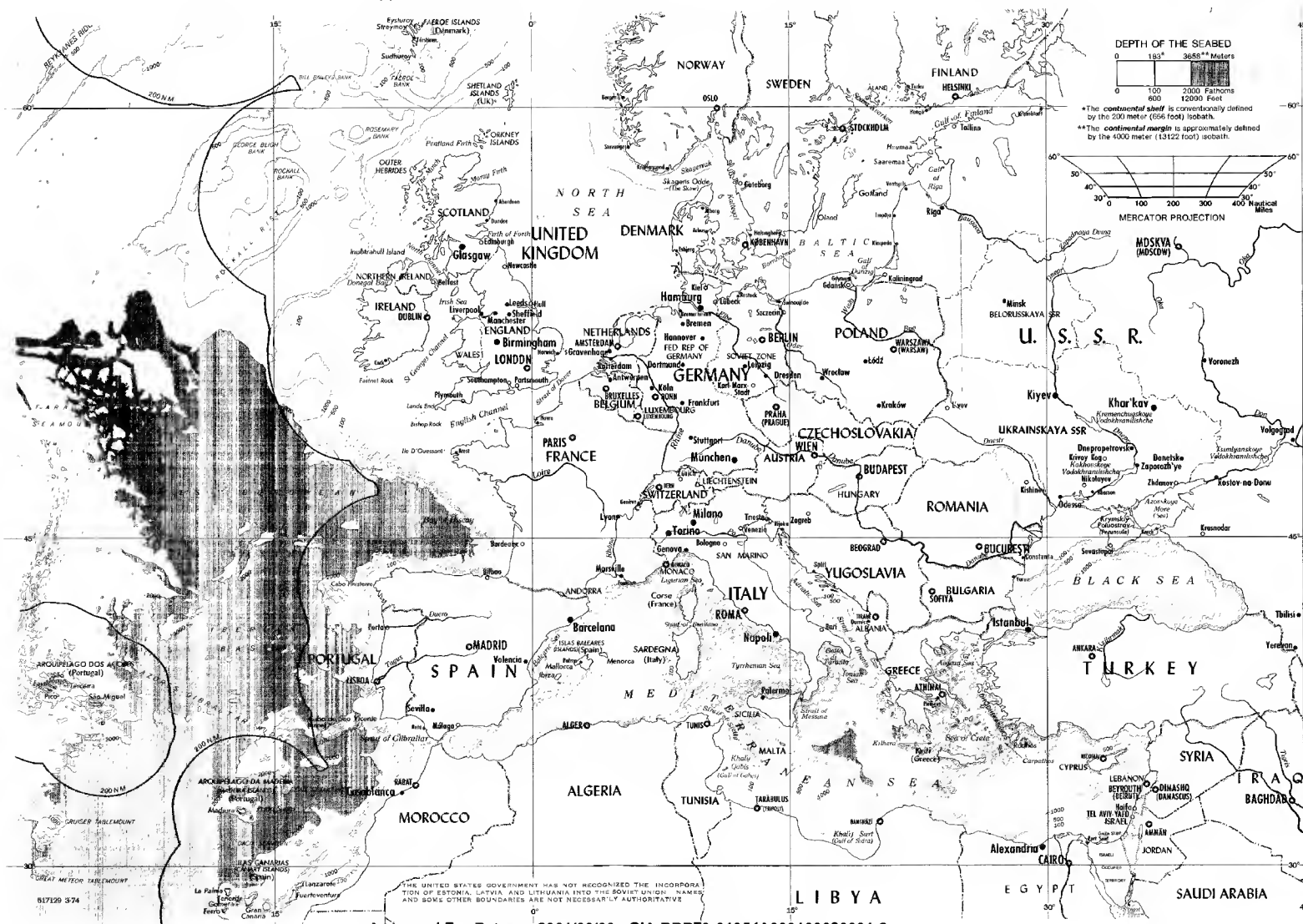
whichever limit the coastal State may choose to adopt, and.... per cent^{b/} of the revenues from exploitation carried out beyond forty miles or 200 metres isobath within the Zone.

(3) The International Authority shall distribute these contributions on the basis of equitable sharing criteria.

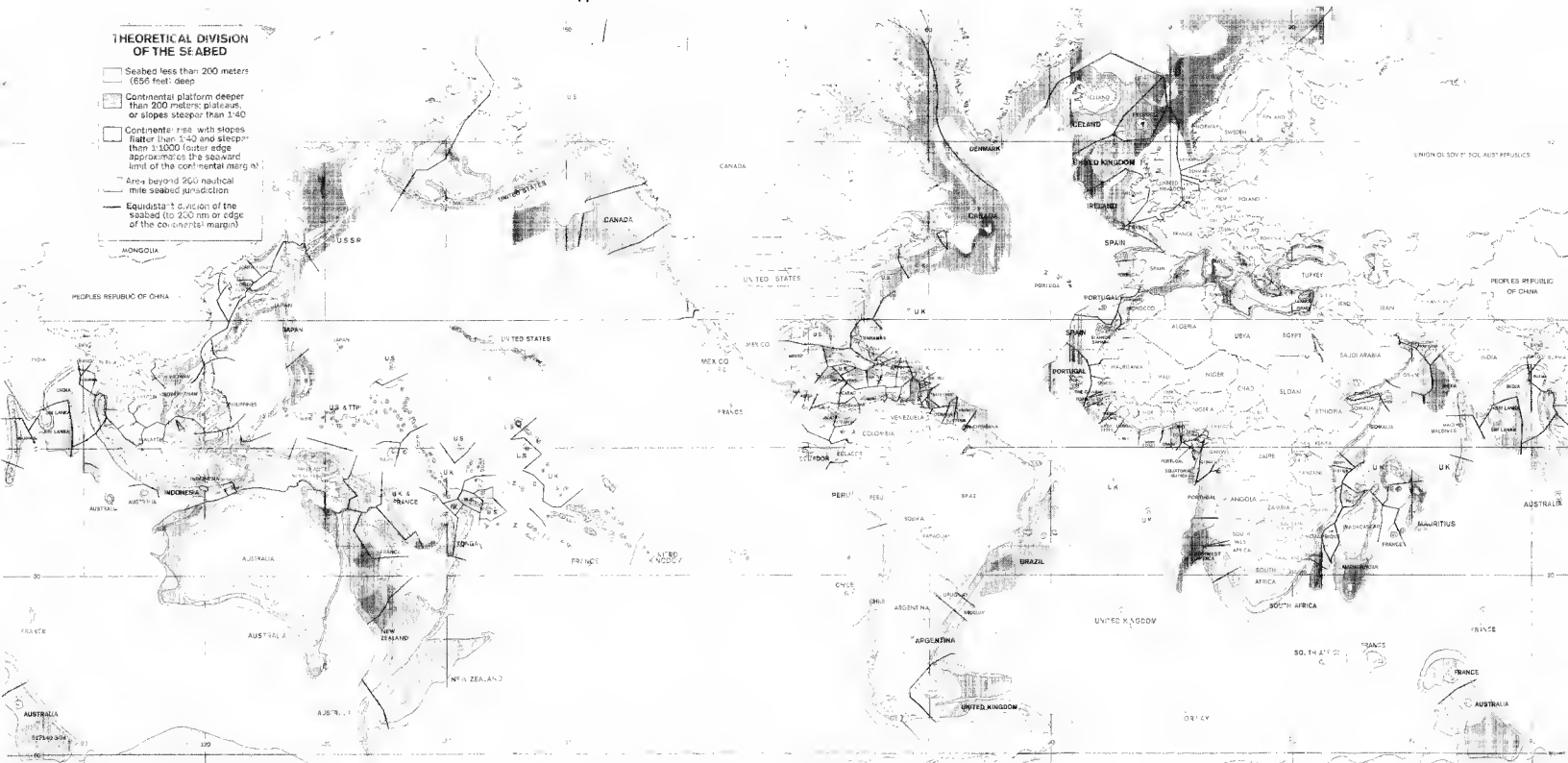
ARTICLE IV

Any dispute arising from the interpretation and application of the provisions of the foregoing Articles shall be subject to the procedures for the compulsory settlement of disputes provided for in the Convention.

^{b/} It is understood that different rates should apply to developed and developing countries.



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Secret

No Foreign Dissem

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